

Global Property Securities Fund - D2 Class Inc Units (USD)

31 December 2021

Investment advisor

Principal Global Investors, LLC

Sub investment advisor

The real estate capabilities of Principal Real Estate Investors, LLC span the spectrum of public and private equity and debt investment alternatives.

Principal Global Investors, LLC has been appointed as Investment Advisor to the Fund and has appointed Principal Real Estate Investors, LLC, Principal Global Investors (Europe) Ltd, Principal Global Investors (Australia) Ltd and Principal Global Investors (Singapore) Ltd as the Sub-Investment Advisors.

Fund managers

Kelly D. Rush, CFA

37 Yrs Industry Exp

Anthony Kenkel, CFA, FRM

24 Yrs Industry Exp

Simon Hedger

43 Yrs Industry Exp

Investment objective

The objective of the Fund is to seek to provide a total return primarily through investment in a portfolio of global property securities.

Index

FTSE EPRA NAREIT Developed NTR

Index**

Fund facts

Fund size	\$771.2m
Launch date	09 Dec 2019
Fund base currency	USD
Min investment	US\$1,000
Fund domicile	Ireland
UCITS qualifying	Yes
Pricing	Daily
Dealing cut off	10am Dublin 5pm Hong Kong

Income Distribution

Income Distribution	Income
Fee structure	D2 Class
Preliminary charge	max 5%
Management fee	0.80% pa
Admin charge	0.15% pa
Marketing and distribution fee	0.75% pa
Trustee fee	Not more than 0.022% pa

Investor minimum

Please contact Principal Global Investors

Fund grading

Kelly Rush and Anthony Kenkel A rated - Citywire Fund Manager Ratings



Important note

- The Fund shall invest no less than 80% of the assets of the Fund in real estate investment trusts ("REITs") and common equity securities issued by non-REIT real estate companies in the United States and REITs, common equity securities issued by non-REIT real estate companies and similar structures in other areas of the world.
- Risks associated with investing in the securities of companies in the real estate industry include the following: declines in the value of real estate, risks related to general and local economic, political and market conditions, overbidding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, defaults on mortgage payments, variations in rental income, changes in neighbourhood values, vacancy rates, the appeal of properties to tenants and increases in interest rates.
- Investment involves risk. There is no assurance on investment returns and you may not get back the amount originally invested.
- The investment decision is yours but you should not invest in this Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
- You should not invest solely in reliance on this marketing material alone. You should read the Summary Prospectus and the relevant Supplement(s) before investing including the Special Investment Considerations and Risks section of the Summary Prospectus.
- In relation to D2 Class Income Units of the Fund, the dividends which may be distributed by such class of units may be paid effectively out of the capital of the Fund (i.e. making the distribution from gross income while charging all or part of the Fund's fees and expenses to capital), resulting in an increase in distributable income for the payment of dividends by the Fund and an immediate reduction of the net asset value per unit of the Fund. Payment of dividends effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Dividend is not guaranteed.

Performance (%)

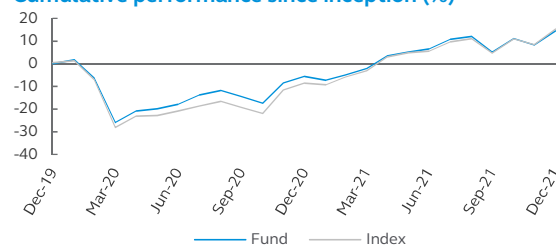
	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	5.84	9.02	21.41	21.41	-	-	14.54
Cumulative Index	6.33	10.16	26.09	26.09	-	-	15.29
Fund Annualised Net	5.84	9.02	21.41	21.41	-	-	6.79
Index Annualised	6.33	10.16	26.09	26.09	-	-	7.13

Fund performance is calculated on a NAV to NAV basis. Please see performance notes for further details. SI represents Since Inception.

Calendar year performance (%)

	2021	2020	2019	2018	2017
Fund Net	21.41	-5.66	-	-	-
Index	26.09	-9.04	-	-	-

Cumulative performance since inception (%)



Top 10 holdings (%)

	Fund
Prologis Incorporated	4.5
Invitation Homes, Inc.	3.7
SEGRO plc	3.4
Avalon Bay Communities, Incorporated	3.3
Extra Space Storage Inc.	2.9
Vonovia SE	2.9
Essex Property Trust, Inc.	2.9
Rexford Industrial Realty, Inc.	2.8
Sun Communities, Inc.	2.6
Equinix, Inc.	2.5
Total	31.5
No. of holdings	87

Sector allocation (%)

	Fund	Difference
Office & Industrial	27.6	2.9
Residential	23.2	5.0
Diversified	16.3	-0.9
Healthcare	7.5	0.7
Self-Storage	6.4	0.3
Technology Space	5.2	-1.4
Net Lease	5.1	-2.0
Retail	3.7	-6.9
Lodging	2.3	0.0
Other	1.1	0.7
Cash	1.5	1.5

Top 5 stock overweights/underweights (%)

	Difference
Overweight	
Invitation Homes, Inc.	2.4
SEGRO plc	2.2
Rexford Industrial Realty, Inc.	2.2
American Tower Corporation	1.8
Essex Property Trust, Inc.	1.8
Underweight	
Equity Residential	-1.6
Realty Income Corporation	-1.9
Simon Property Group, Inc.	-2.0
Digital Realty Trust, Inc.	-2.4
Public Storage	-2.7

Geographic allocation (%)

	Fund	Difference
United States	59.2	-2.2
Continental Europe / Emea	9.3	-1.6
Japan	7.8	-1.1
United Kingdom	6.5	1.8
Australia / New Zealand	4.6	0.7
Canada	4.2	1.2
Hong Kong	3.4	-1.0
Singapore	2.3	-0.6
Emerging Asia	0.8	0.8
Mexico	0.4	0.4
Cash	1.5	1.5

Fund codes

Bloomberg	PRGPSDU ID
ISIN	IE00BYM2LR54
Lipper	68364917
SEDOL	BYM2LR5
CUSIP	G72451365
Valoren	30695779
WKN	A2PWXG

Registration*

Austria, Belgium, Denmark, Finland, France, Germany, Guernsey, Hong Kong SAR, Ireland, Italy, Jersey, Liechtenstein, Luxembourg, Macau, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland and UK

Fund management commentary**Market Review**

Despite a hawkish Fed pivot and concerns over COVID-19 omicron, equity markets continued to grind higher on the back of continued low real interest rates and evidence that omicron's severity was milder than prior variants. Global REITs (FTSE EPRA/NAREIT Developed NTR, +6.3%) outperformed broader equities (MSCI World, +4.3%) and bonds (Bloomberg Global Aggregate, -0.1%). The Americas was the strongest region by a wide margin. Europe lagged as weakness in the Continent diminished strength in the United Kingdom. Asia trailed behind dragged by weakness in higher beta Japanese developers.

Fund Review

Emerging market exposure was a main detractor, due to growth concerns as a result of property cooling measures, and another China residential developer's bonds were downgraded to junk status. Underweight to the U.S. self-storage sector detracted as the sector continues to benefit from better-than-expected operating updates across occupancy and rental rate growth. With a rotation back into structural growth, overweights to solid fundamentals in U.S. single family rental, industrial, and towers were main contributors. Within U.S. industrial, overweight to a stock that received several sell-side upgrades was beneficial.

Market Outlook

Energy shortages and supply chain bottlenecks raised concerns over inflation persistence. Equity market valuations are richer and earnings and global GDP growth are anticipated to decelerate. Government-induced slowdown in the Chinese economy is an overhang. While the rate of acceleration of global growth slowed, levels of growth remain healthy. The low base effect that is driving higher inflation rates should taper off by second quarter of 2022 and result in a fall in inflation.

We are cautiously constructive on markets but expect volatility to pick up. Investment decisions will remain guided by fundamental relative valuation levels and we will continue to search for opportunities using our bottom-up, stock selection focused approach. We have been selectively repositioning into cyclical themes on weakness where we feel consensus has been too bearish and there is scope for earning upgrades. We also believe stocks with attractive earnings prospects and favorable structural demand drivers are best positioned to outperform in the intermediate to longer-term future. This bar-belled approach should help buffer against volatility.

Performance note

From December 2018, the performance data shown is based upon the Fund's official Net Asset Value (NAV) prices. The performance data shown is net of fees and other charges but excludes any potential entry/exit charges- as such the return an investor receives may be lower. Prior to 31st December 2018, the data performance calculations reflect the month-end market close prices of the Fund's assets. After 1 January 2019, the performance data shown is based upon the Fund's Net Asset Value (NAV) prices of the last Irish business day of the month. For Funds not open for dealing on this day this will be an indicative NAV. As a result, it is possible that the stated performance and the actual investment returns available to investors will differ. The performance information reflects performance of the D2 Class income units. Periods over one year are annualised. Investors should obtain their own independent tax advice. **Outperforming the FTSE EPRA NAREIT Developed NTR Index is not specifically included in the objective for the Fund, and the figures shown in the table are provided as a comparison only. Past performance is no guarantee of future results. All figures shown in this document are in U.S dollars unless otherwise noted. Source & Copyright: CITYWIRE. Portfolio managers are A rated by Citywire for 3 year risk-adjusted performance for the period 30 November 2018 - 30 November 2021. Citywire's exclusive methodology ranks fund managers based on their individual track records across all funds they manage globally.

Disclosure

*Where applicable: In Singapore, the Fund is registered as a Restricted Scheme and in Italy for Qualified Investors only.

Divergences between the returns of unit classes denominated in the base currency of the fund and hedged unit classes may arise among other things due to interest rate differentials between the base currency of the fund and the hedged unit class currency.

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This document has not been reviewed by the Securities and Futures Commission.

Unless specified in this document, the strategy does not:

(i) promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of the Sustainable Finance Disclosure Regulation (EU) No. 2019/2088 ("SFDR"); nor

(ii) have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

Notwithstanding this, the strategy/product is managed in line with the Principal Global Investors responsible investment policy, incorporating its Sustainability Risk and Principal Adverse Impacts policies. These policies can be found at <https://www.principalglobal.com/about-us>.

Contact us

For more information on the fund, please contact:

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852 2117 8383

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